

**CITY OF JOHN DAY
CITY COUNCIL MINUTES
JOHN DAY, OREGON**

April 24, 2012

Adjourned Meeting

COUNCILORS PRESENT:

Steve Schuette, Council President
Donn Willey, Councilor
Doug Gochmour, Councilor
Don Caldwell, Councilor
Gene Officer, Councilor

COUNCILORS ABSENT:

Chris Labhart, Councilor

STAFF PRESENT:

Peggy Gray, City Manager
David Holland, Public Works Director
Valerie Luttrell, Dispatch Manager
Daniel Pelayo, Police Officer

GUESTS PRESENT:

Larry Baarstad, Pendleton
Mytchell Mead, John Day

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 7:00 p.m. Council President Steve Schuette noted that all Councilors were present with the exception of Councilor Chris Labhart, who was absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of April 10, 2012

The minutes of the April 10, 2012 adjourned meeting were included in the agenda packets and presented for the Council's approval. Councilor Don Caldwell moved that the minutes of April 10, 2012 be approved as presented. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 3 - Appearance of Interested Citizens

Council President Steve Schuette thanked those in attendance and asked everyone to please sign in. He asked if there were any additional items that anyone would like to add to the agenda. There were none presented.

At this time Council President Schuette informed the Council that he would like to move Agenda Item No. 6 – Discuss Community Counseling Solutions (CCS) Acute Care Facility System Development Charge Calculation up on the agenda so that Larry Baarstad representing CCS could leave earlier.

Agenda Item No. 6 - Discuss Community Counseling Solutions Acute Care Facility System Development Charge Calculation

City Manager Gray stated in 2009 the City Council adopted an ordinance and a resolution for the purpose of implementing System Development Charges ((SDCs). Copies of the SDC ordinance and resolution fee schedule were included in the council packets.

City Manager Gray stated when figuring the SDCs for the new Regional Acute Care Facility; Larry Baarstad, the general contractor for the project, questioned the system development charge calculation. City Manager Gray stated we based the calculations for the ERUs (equivalent residential units) on the boarding house and office examples listed in the City’s Water and Sewer System Development Charge Study as follows:

- 50 gallons/room x 10 rooms = 500 gallons/day equaling 2.5 ERUs
- 20 gallons/employee x 20 employees = 400 gallons/day equaling 2 ERUs
- Total of 4.5 ERUs

City Manager Gray also explained that the Regional Acute Care Facility is eligible for two credits as per Ordinance No. 09-140-06 as follows:

- Section 13 F. states any non-residential development which results in the creation of new and permanent full-time jobs, shall be entitled to receive a credit toward the applicable system development charge of 1% for each new and permanent full-time job. The Regional Acute Care Facility is projected to produce 20 new and permanent fulltime jobs; as such the City proposes a 20% credit off of their total ERUs.
- Section 13 G. states the City Council shall have the right to grant a credit not to exceed fifty percent (50%) of the applicable system development charge for any development project submitted by a nonprofit corporation or any agency or subdivision of the federal state or local government. The Regional Acute Care Facility is a nonprofit corporation; as such, the City proposes a 50% credit off of their total ERUs.

City Manager Gray stated with the proposed credits, the total ERUs for the facility is 1.35 ERUs. This is .35 more than what the City would charge for a single-family residence. The final SDC calculation is as follows:

- 1.35 x \$1,841/ERU for water = \$2,485.35
- 1.35x \$4,215/ERU for sewer = \$5,690.25
- Total proposed SDCs \$8,175.60

Public Works Director David Holland stated Mr. Baarstad questioned the water usage of 50 gallons per room as too high. He compared the water usage to a 10-bed facility located in Heppner, OR and stated he did not believe they used that much water. As we have no water history with the facility, the City requested water usage (gallons per day) information from the City of Heppner. City Manager Gray stated the City of John Day has not received the requested information; however, when it arrives she said we will review it and bring a recommendation back to the City Council.

Mr. Baarstad stated he has requested the information and the City should be receiving it in the near future. City Manager Gray asked Mr. Baarstad if he agreed with the 70% proposed credits and if the SDC calculation seemed reasonable to him. Mr. Baarstad stated yes, he agreed with the final number.

Councilor Donn Willey moved to approve the System Development Charge credits for Community Counseling Solutions as authorized by the City of John Day Ordinance No. 09-140-06, Section 13. Credits; Subsections F & G giving Community Counseling Solutions a 50% credit for their nonprofit corporation status and 20% credit for 20 permanent full-time equivalent positions. Councilor Doug Gochnour seconded the motion; the motion passed unanimously.

Agenda Item No. 4 – Discuss for Adoption Resolution No. 12-681-05, a Resolution to Declare Account Uncollectible and Take off the Books as Receivable

Resolution No. 12-681-05, a resolution to declare an account uncollectible and takes it off the books as a receivable and turns it over to the collection agency was presented to the City Council.

City Manager Gray explained this account is closed and the person received the final certified letter informing them that the account will be turned over for collection if not paid by a certain date. The person did not pay by the date specified and the following account is recommended to be turned over to the collection agency:

Lindsay Hampton, Acct. Number 046200-11, acct. closed on 6/13/2011 in the amount of \$55.42.

Councilor Don Caldwell moved to adopt Resolution No. 12-681-05. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 5 – Discuss Proposal from Jim and Tootie Cernazanu regarding Encroachment Issue

Public Works Director stated we (City Manager Gray) met with Jim and Tootie Cernazanu last week to discuss the encroachment issues; Jim and Tootie went home to discuss it and came back that afternoon with their proposal. In trade for the property line adjustment, Jim would like to put a driveway access into his property through the back of his property. Jim stated the reason is because the driveway coming off Hillcrest is steep, visibility is poor and in the winter time they have difficulty backing out of their driveway up onto Hillcrest Rd.

Public Works Director David Holland stated Jim would like to put in a drive-through driveway; it would essentially eliminate the farthest parking space to the east in the city parking lot. It would be 10' wide and he would like an ingress and egress easement from the City giving him access through the parking lot. Jim stated he is picky about who he rents to and said we wouldn't have to worry about kids flying through the parking lot. Jim would take down part of his fence put the driveway through and redo his fence; he said he would be willing to help the City put stacker blocks to hold the bank, put in river rock to hold down the weeds.

Councilor Schuette asked what the liability issues were. City Manager Gray stated in her staff report that city attorney Jeremy Green stated it was doable; however, Jeremy wanted her to clarify "doable" to the City Council. City Manager Gray quoted a message from Jeremy "that I believe the proposed solution is doable based upon my preliminary assessment of the situation. Also, recall that the City may need to take certain steps (i.e., complete certain prerequisites) to effectuate the conveyance. I will not be able to

confirm what, if any, steps, will need to be taken until I actually roll-up my sleeves and dive in. City Manager Gray stated it will cost attorney fees to get the easement developed in a way that will protect the city, address the liability issues, indemnification clause to provide financial protection, against possible loss, damage, or liability. City Manager Gray didn't know if the attorney fees would be more than purchasing the property outright; Public Works Director Holland stated that is if Jim would even sell it to us as he seemed to be more concerned with fixing his driveway.

Councilor Doug Gochnour asked if this new access driveway will be for emergency use only or occasional use or is this going to become the full time use. City Manager Gray stated he indicated during the winter time; Public Works Director stated he did not know what his intentions were; however, he thinks he is leaning towards full ingress and egress but he didn't think it would get used that much (to/from work).

Council President Schuette asked how are you going to keep someone that comes to city hall from parking there and blocking the access. City Manager Gray stated we did talk about that, when we have meetings here if someone parks in that spot. Jim state it would not be a big deal.

Councilor Doug Gochnour asked about the costs of actually improving the driveway and the fence. Public Works Director Holland stated Jim Cernazanu would be responsible for punching the driveway through, changing the fence and all costs relating to that. Public Works Director Holland stated we tentatively agreed to put up stacker blocks to help hold the bank, Jim stated he would take the two elm tress down. It will basically be dirt and become a weed problem; Dave stated he sprays the bank to control the weeds already, if we put in river rock and grasses, it will be less of a maintenance issue in the future than it is right now.

The other suggestion Jim Cernazanu had was to move our bumper blocks. Now that we know where our east boundary line is, he suggested we move our bumper blocks back closer to the property line. This would give more space as people would be parking farther to the east. Council President Schuette asked how much more room would that give us? Public Works Director Holland stated at the highway end, maybe a few feet; however, at the other end we would have at least 8'. It was agreed that would make a big difference.

Councilor Gene Officer stated trying to get along as good neighbors, is probably the right thing to do; however, this is really loose as far as what happens five to ten years down the road. You can't guarantee who is going to own the property. City Manager Gray agreed; that concerned her also.

Councilor Don Caldwell's had concerns if the renters had a party and there was a foot of snow, would they just park all over in the parking lot out here? City Manager Gray stated they couldn't legally do that and we have our police officers that would control that. Councilor Willey thought if they were going to do that, they would have done that by now as it is accessible. Councilor Officer thought we have to look at the worse scenario.

Councilor Doug Gochnour asked what were the other alternatives besides ingress/egress ROW. Public Works Director Holland stated this is the proposal Jim Cernazanu came back with, the other option is to try and negotiate an easement. However, he may want the same thing in return for an easement, he may not want money. Public Works Director Holland stated we didn't talk about another option as it seemed like the consensus of the Council was to do the lot line adjustment to clean it up permanently and this is what Jim and Tootie came back with. He went on to say that at the time it seemed reasonable as long as the liability issue didn't become a roadblock.

Councilor Donn Willey asked if it was an option to change the physical location of the sewer line without great expense. Public Works Director Holland stated it is an option; we would have to cut the parking lot and go through the City's parking lot. For Jack Russell's property it's not an option, for him we don't have any place to put the sewer line because we run out of property because of the elevator space to the fence. He said you could get it out of Jim's property easier than you could get it out of Jack's property. Councilor Doug Gochmour stated Jim's property has got me more bothered than Jack's property; Jack's seemed more doable.

City Manager Gray suggested going back to Jim and Tootie to see if they would be willing to consider a sewer easement. Public Works Director Holland stated we could scoot parking spaces back so that the driveway is actually on the border the city's property between the bumpers and the outside edge of the city's property; keep the driveway on the outside of the parking lot and they wouldn't be driving through the parking lot. This would reduce our parking lot size and doesn't line up as well with the new access as he (the renter) would be coming off of his property and then making a fairly good "S" turn because of Ethan and Cammie Haney's property to the east.

Public Works Director Holland stated this is what we are bringing to you and it is up to the Council to make the decision. Public Works Director Holland stated he thought the best way would be to move the parking to the east to the edge of our property; and allow them ingress and egress behind the parked cars. He stated personally he didn't think it would really create that much of a problem, but potentially it could.

City Manager Gray stated if he is going to go through the expense of creating a new driveway, why not just fix up the driveway he has to make it easier to back out onto Hillcrest Road? Public Works Director Holland stated he didn't really know as he hasn't looked at the existing driveway.

Councilor Gene Officer stated it all boils down to that the City purchased property that didn't belong to them; and they were allowed to build over existing utilities. Public Works Director Holland stated when the sewer line goes bad; we can redirect it but that still eliminates the sewer access for the people located behind City Hall, because our building is in the way. Which is what the secondary sewer line behind City Hall is for; but eventually they (sewer lines) will all go bad.

Council President Schuette stated as he sees it we have two options 1) is to accept Jim and Tootie Cernazanu's proposal or 2) go back and renegotiate, whether it is buying the property or creating the easement. It's got to get done one way or the other.

City Manager Gray stated we can go back to Jim and Tootie and try to negotiate an easement (parking and sewer) and tell them the Council's concerns regarding the liability issues; and city attorney Jeremy Green needs to do more research and right now we don't know how much time that will involve. Council President Schuette stated another question is if we do try to purchase the property, where would the money come from? City Manager Gray stated that is a very good question.

Councilor Don Caldwell asked if the existing driveway fixable. Public Works Director Holland stated the current issue with the driveway is the drainage off his driveway; he stated he hasn't gone up there and really looked at it. But because the house is built at a certain elevation and then the driveway and the land accommodates that, when you try to raise the driveway, you're probably going to be talking about retaining walls, concrete, handicapped issues.

At this time Councilor Doug Gochmour requested to go outside and take a look at the proposal on the ground. Once outside, Public Works Director Holland showed the Council and guests, where the property stakes were located and the sewer main and explained where the encroachment issues were on Jack Russell's property and Jim and Tootie Cernazanu's property. Public Works Director explained

Cernazanu's proposal, showed the Council where the driveway would come down, the section of the fence Jim is proposing to take out along with the two elm trees.

Council President Schuette stated Cernazanu already has a retaining wall along their driveway. Discussion took place on how long the City has owned the building and when the sewer main was installed; over twenty years. Public Works Director Holland stated Jim's main issue was backing out onto Hillcrest Road versus being able to pull straight out. Council President Schuette stated he could always back into the driveway.

After everyone returned to the Council Chambers, Council President Schuette stated in his opinion we need to go back and renegotiate with Cernazanu's and see if we could spend a little money to fix his driveway and bring it up a little so it would be less steep with hopes that would appease him to give us an easement. Council President Schuette stated he really doesn't like the idea of an easement through the City's parking lot.

It was the consensus of the City Council to have the Public Works Director and the City Manager renegotiate with Jim and Tootie Cernazanu stating the City Council was uncomfortable mainly over liability issues and no control over who can use it. Councilor Doug Gochnour stated conceivably people could cut from the upper road to the lower road by using that access; and there were also concerns with attorney fees to develop the easement addressing all of the issues (i.e. liability).

Agenda Item No. 7 – Discuss Applications received for the City of John Day Mayor Position and Interview Process for Qualified Candidates

Council President Schuette stated we received applications from four qualified candidates as follows:

- James Edward Moran, 480 East Main Street, John Day
- Richard S. "Richie" Colbeth, 106 NW 7th Ave., John Day
- Ron Lundbom, 620 SE Hillcrest Rd., John Day
- Mytchell Mead, 409 SE Hillcrest Rd, John Day

Council President Schuette state we also received an application from one person who was not a qualified candidate (lives outside of the John Day city limits) as follows:

- Linda M. Grover, 61919 Dog Patch Lane, P.O. Box 765, John Day

Council President Schuette asked that Ms. Grover be contacted and informed as to why she is not a qualified candidate for the Mayor's position. City Manager Gray stated she would contact her.

Council President Schuette stated he hoped everyone has reviewed the applications and asked how the City Council wanted to do the interview process. Councilor Don Caldwell recommended that the Administrative Committee meet with City Manager Gray to set up some interview questions and guidelines for the interview process.

Councilor Donn Willey asked if the Administrative Committee should also narrow the field or do we want to interview all of the candidates. Councilor Don Caldwell thought the Council should interview all of the candidates; that way you are treating everyone fairly. Councilor Don Caldwell noted that City Manager Gray has gotten some questions from the League of Oregon Cities.

Councilor Gene Officer stated the Council needs to remember that this is an appointment not an election. And this appointment is to fill out the term of the vacant position (Dec. 2014). Councilor Officer stated he is not on the Administrative Committee; he stated he thought it takes at least a year for a person to get

on their feet when they get on the City Council. Councilor Officer stated we don't have to appoint a Mayor, we have a Council President right now and we can fill out the term with a Council President; we do have that option. Councilor Officer stated what I'm trying to get to is let's not drag these people in for an interview, if we are not going to appoint one of them. Council President Schuette responded saying I don't know how you can say we're not going to appoint one of them until we interview them. Council President Schuette stated I think we need to go through the process to see if we have a viable candidate and if we don't have one, then we continue doing business the way we have been. Councilor Doug Gochnour stated it's unfair to Steve to assume that for two and half years he is going to be the acting Mayor, we all had that opportunity to throw our hat into the ring and none of us chose to do that.

It was noted that if after all the interviews are conducted; if the Council does not feel comfortable with any of the candidates; the Council can go back out and solicit for more applications. However, Council President Schuette felt comfortable that we can come up with a candidate out of the four applicants.

Councilor Gochnour stated our next meeting is the public hearing on the budget; would it be possible for the Administrative Committee to meet and get the interview questions together and interview the candidates at our May 22nd meeting; City Manager Gray stated that is doable. Councilor Gene Officer recommended another person be added to the Administrative Committee due to the vacancy of the Mayor's position. Council President Schuette didn't think we needed to appoint a person to the Administrative Committee right now but asked if a Councilor wanted to volunteer to come to the Administrative Committee meeting to help review the interview questions. Councilor Doug Gochnour volunteered. It was the consensus of the Administrative Committee to meet Tuesday, May 1 at 9 a.m. at City Hall.

Agenda Item No. 8 – Other Business and Upcoming Meetings

1. League of Oregon Cities bulletins were included in the council packets.
2. A letter from the Oregon Department of Fish and Wildlife (ODFW) was included in the council packets asking for input on their proposed 2013-2015 budget.
3. A flyer to attend Ripples in Time at the Bates State Park was included in the council packet.
4. Council was informed that the public hearing for the proposed 2012-2013 budget date was changed to May 8th from May 22nd due to Anna Bass and Amy Walker of Oster Professional Group being unable to attend the May 22nd date.
5. Council President Schuette informed the City Council that Rep. Ron Wyden will be in town on May 2nd at 9:30 a.m. at the GUHS.
6. Council was reminded about the LOC Small Cities meeting in Prairie City on Thursday, April 26, 2012.
7. Public Works Committee was reminded the May 3rd meeting with Randy Jones of the Regional Solutions Center, DEQ liaison at 10:30 a.m., council chambers.
8. The Council was informed that the John Day Volunteer Fire Department will be holding a Mother's Day Breakfast, Sunday, May 13th, 7:30 a.m. – noon.

9. City Manager Gray informed the City Council that Fire Chief Ron Smith had found a used 2003 Chevrolet Tahoe at the Wright Chevrolet lot. The original price was \$10,900, Ron got it for \$9,150 and it has approximately 140,000 miles on it. This vehicle replaces the 1997 Ford Expedition as the Fire Command vehicle. City Manager Gray stated we have \$15,000 in the budget for the fire command vehicle. City Manager Gray reminded the Council that the city does not own the 1997 Ford Expedition as it was given to the City by the John Day Fire Association. Councilor Doug Gochnour verified that no action needed to be taken as this purchase is included in the current budget.

10. Council President Schuette gave the Council a report on the meeting with the County Court regarding streets. The Council was informed that the County will not be giving any money to the cities or the schools in their proposed budget. The County Court will reconsider if the Secured Rural Schools funds gets renewed.

Adjourn

There being no further business before the Council, Councilor Doug Gochnour made a motion to adjourn the meeting. Councilor Don Caldwell seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:06 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, May 8, 2012

Council President Steve Schuette